



UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

Served: April 6, 2004

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NOTICE

Docket OST-2004-17279

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By Order 2004-3-3 the Department instituted the *2004 Hong Kong Fifth-Freedom All-cargo Frequency Proceeding*, to select carriers to operate 18 available fifth-freedom frequencies for U.S. carrier service in the Hong Kong fifth-freedom market. Applications were received from four carriers: United Parcel Service (UPS), Federal Express Corporation (FedEx), Northwest Airlines (Northwest), and Polar Air Cargo (Polar), seeking a total of 15 frequencies.<sup>1</sup> Federal Express, Northwest, and Polar filed applications seeking a total of 9 frequencies for Seoul-Hong Kong service.<sup>2</sup> The Memorandum of Understanding permits only 12 weekly fifth-freedom frequencies in the Seoul-Hong Kong market. The Department has allocated 7 of those 12 frequencies on a permanent basis, and thus, only 5 frequencies are available for Seoul-Hong Kong services.

By Joint Motion, filed April 2, 2004, FedEx, Northwest, and Polar have proposed that the Department now allocate the five remaining Hong Kong-Seoul frequencies as follows: Northwest, 1 frequency; Polar, 1 frequency; and FedEx, 3 frequencies. The joint movants state that such allocation will preserve the valuable resources of the Department, will avoid any unnecessary and protracted proceeding, will promote competition in the Hong Kong all-cargo market, and will provide the Department with a mutually agreed upon proposal that will best serve the public interest. The joint movants also request that the Department suspend the procedural timetable set forth in the Order instituting the proceeding until the Department rules on the joint motion.

In view of the circumstances presented and pending our resolution of the joint motion for allocation, we are suspending until further notice the procedural dates established in Order

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<sup>1</sup> UPS was the only carrier to seek frequencies for Hong Kong-Singapore-Macapagal service. On March 24, 2004, and supplemented March 29, 2004, UPS filed a motion for immediate allocation of frequencies and dismissal from the proceeding. By Notice of Action Taken dated March 31, 2004, the Department granted UPS' motion, allocated UPS 6 Hong Kong fifth-freedom frequencies, and dismissed it from the remainder of the proceeding.

<sup>2</sup>In the applications filed, FedEx seeks 5 frequencies; Northwest, 1 frequency; and Polar, 3 frequencies.

2004-3-3. Therefore, acting under authority assigned in 14 CFR 385.3, we suspend the remaining procedural dates established in Order 2004-3-3 until further notice.

We will serve this notice by email or facsimile on all parties in Docket OST-2004-17279. We authorize answers to be served by facsimile or email.

**PAUL L. GRETCH**

Director, Office of International Aviation

(SEAL)

Dated: April 6, 2004

*An electronic version of this notice is available on the World Wide Web at  
[http://dms.dot.gov/reports/reports\\_aviation.asp](http://dms.dot.gov/reports/reports_aviation.asp)*